

**INFORMAL DRAFT REGULATORY TEXT**

**PRODUCT STEWARDSHIP FOR CARPETS (revised 2-16-2011)**

**TITLE 14: NATURAL RESOURCES**  
**DIVISION 7. DEPARTMENT OF RESOURCES, RECYCLING AND RECOVERY**  
**CHAPTER 11. PRODUCT STEWARDSHIP**  
**ARTICLE 1. PRODUCT STEWARDSHIP FOR CARPETS**

**Section 18940. Purpose.**

The purpose of this Article is to clarify existing statute and establish administrative procedures to efficiently and effectively implement the department's responsibilities under the law for product stewardship for carpets and to provide a uniform competitive business environment to all carpet manufacturers, retailers, and wholesalers pursuant to §42970 of the Public Resources Code.

Note: Authority cited: Sections 40502 and 42970, Reference: Section 42970, Public Resources Code.

**Section 18941. Definitions.**

(a) Except as otherwise noted, the definitions of this Article supplement and are governed by the definitions set forth in Chapter 20 (commencing with §42970), Part 3, Division 30 of the Public Resources Code:

- (1) "Must" or "shall" means a provision is mandatory.
- (2) "May" means a provision is permissive.

(b) "Administrative fee" means payments from the manufacturer or stewardship organization to the department that cover the costs of its administrative, oversight, and enforcement services necessary for manufacturers or stewardship organizations to effectively implement carpet stewardship plans.

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- (c) “Assessment” means the amount added to the purchase price of carpet that is subsequently remitted to a stewardship organization or manufacturer, and shall be spent on implementing the carpet stewardship plan.
- (d) “Aggregate Assessment” means the sum of all assessments collected in the state of California in a calendar year.
- (e) “Diversion” means any combination of waste prevention (source reduction), recycling, reuse, and composting activities that reduces waste disposed at permitted landfills and transformation facilities. Transformation is not diversion for the purpose of this Article.
- (f) “Recycling” means the process, consistent with Section 40180, of converting postconsumer carpet into a useful product that meets the quality standards necessary to be used in the marketplace. Carpet as an alternative fuel is not recycling.
- (g) “Reporting period” means the period that commences in January and ends in December, and represents twelve consecutive months in the preceding calendar year.
- (h) “Significant or Material Change” means any change in a required element of the carpet stewardship plan or annual report.

Note: Authority cited: Sections 40502 and 42971, Reference: Sections 40127, 40180, 40191, 40192, 40201, 41780, 42970, 42971, Public Resources Code.

### **Section 18942. Submittals.**

- (a) A corporate officer, acting on behalf of a manufacturer or stewardship organization, shall register with the department. The registration process shall include, but not be limited to, the following information:
  - (1) Contact information of the corporate officer responsible for submitting stewardship plan and annual report documents to the department and for overseeing carpet stewardship program activities, including, but not limited to:
    - (A) Contact Name
    - (B) Title
    - (C) Name of Company or Stewardship Organization
    - (D) Mailing address and physical address

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- (E) Phone number
- (F) E-mail address
- (G) Web address, if applicable
- (H) Location and custodian of records
- (2) List each manufacturer participating in the stewardship organization, including, but not limited to:
  - (A) Contact Name
  - (B) Title
  - (C) Name of Company or Stewardship Organization
  - (D) Mailing address and physical address
  - (E) Phone number
  - (F) E-mail address
  - (G) Web address, if applicable
  - (H) Location and custodian of records
- (3) List of brands covered under the stewardship plan.
- (b) The stewardship plan must be submitted electronically according to instructions provided by the department. A hard copy signed by a corporate officer of a manufacturer or stewardship organization, under the penalty of perjury, must also be submitted to the department.
  - (1) The information submitted in a stewardship plan shall address the criteria for approval in §18943 and be organized according to this standard outline:
    - (A) Contact Information
    - (B) Scope
    - (C) Performance Goals and Activities
    - (D) Solid Waste Management Hierarchy
    - (E) Collection System
    - (F) Market Development
    - (G) Financing Mechanism
    - (H) Education and Outreach
    - (I) Program Performance Measurement
    - (J) Stakeholder Consultation

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### (K) Audits

- (2) Plans shall be updated within 30 days of a significant or material change.
  - (3) The approved stewardship plan shall be a public record, except that financial, production, or sales data reported to the department by a manufacturer or stewardship organization is not a public record under the California Public Records Act, as described in Chapter 3.5 (commencing with §6250) of Division 7 of Title 1 of the Government Code and shall not be open to public inspection. The department may release financial, production, or sales data in summary form only that cannot be attributable to a specific manufacturer.
- (c) The annual report shall be submitted by a corporate officer acting on behalf of a manufacturer or stewardship organization that is operating a carpet stewardship program under a department-approved stewardship plan.
- (1) The annual report must be submitted electronically to the department, according to instructions provided by the department. A hard copy, signed by a corporate officer of a manufacturer or stewardship organization under the penalty of perjury, must also be submitted.
  - (2) The information submitted in an annual report shall address the criteria for a finding of compliance per 42976 as outlined in §18944 Annual Report Compliance Criteria and be organized according to this standard outline:
    - (A) Contact Information
    - (B) Executive Summary
    - (C) Scope
    - (D) Program Outline
    - (E) Description of Goals and Activities
    - (F) Market Development
    - (G) Financing Mechanism
    - (H) Education and Outreach
    - (I) Audits

Note: Authority cited: Sections 40502, Reference: Sections 42972, 42975, 42976, Public Resources Code.

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### Section 18943. Criteria for Plan Approval.

- (a) Product stewardship plans must contain the following:
- (1) Contact information. Identify the manufacturer or designated stewardship organization responsible for the plan submittal.
  - (2) Scope. The program described in the stewardship plan is:
    - (A) Designed to accept and manage all applicable post-consumer carpet, regardless of polymer type or primary materials of construction.
    - (B) The stewardship plan submitted follows the standard outline (see §18942 Stewardship Submittal Instructions).
  - (3) Performance Goals and Activities. The program described in the stewardship plan shall contain a set of performance goals and criteria that include, but are not limited, to the following items:
    - (A) Numeric performance goals and a description of how program goals will be achieved for the following categories:
      1. Increase the reuse of post-consumer carpets.
      2. Increase the recycling of post-consumer carpets.
      3. Increase the diversion of post-consumer carpet from landfills.
      4. Increase the recyclability of carpets.
      5. Incentivize the market growth of secondary products made from post-consumer carpets.
    - (B) The goals established in the plan are at a minimum equal to the goals established in the CARE MOU, while recognizing the current recycling infrastructure and capacity in California is higher than the nation, and estimating changes in market conditions, and anticipating recycling infrastructure and capacity in California.
    - (C) Each goal has a baseline from which it is measured using the units used in the CARE MOU and reporting requirements.
    - (D) The plan describes a methodology for estimating the amount of carpet available for collection in California.
    - (E) Report on source reduction (optional).
  - (4) Solid Waste Management Hierarchy. Describe:

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- (A) Proposed measures that will enable the management of post-consumer carpet in a manner consistent with the state's solid waste management hierarchy pursuant to PRC Section 40051 and demonstrate that over time source reduction, reuse, and recycling will increase, over environmentally safe transformation and land disposal.
- (B) Management of carpet through source reduction, reuse and recycling must be greater than, and grow at a higher rate than the management of carpet through carpet as alternative fuel, Waste-to-Energy, or incineration.
- (5) Collection Systems. Describe the system that will be used to collect and properly manage post-consumer carpet. This description must include the following:
  - (A) Type of collection sites used.
  - (B) Types of destinations for reuse and recycling activities, processing and/or disposal by product type.
  - (C) General description of best management practices to be followed by the service providers, including any training that the manufacturer or stewardship organization intends to provide to or require of service providers to ensure proper collection and management of post-consumer carpet.
  - (D) Description of how each consumer that pays a carpet stewardship assessment will have an opportunity to properly manage their post-consumer carpet.
- (6) Market Development. Describe incentives or methods to increase recycling of carpet into secondary products.
- (7) Financing Mechanism. Include a funding mechanism that provides sufficient funding to recover, but not exceed, the cost of the carpet stewardship program, including the administrative, operational, and capital costs of the plan. The funding mechanism includes the following:
  - (A) A carpet stewardship assessment per square yard of carpet sold in the state, or by some other unit, as approved by the department.
  - (B) A budget for the program that includes revenue estimates from the assessment, full program costs, and administrative costs; including those pursuant to Section 18948 regarding service payments to the department.

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- (C) A requirement that any surplus funds will be put back into the program to reduce the costs of the program, including the assessment amount.
  - (D) An assessment amount that is sufficient to meet, but not exceed, the anticipated cost of carrying out the plan.
  - (E) An assessment amount that does not create an unfair advantage in the marketplace.
  - (F) An allocation of funds that support the solid waste management hierarchy and program goals identified in the stewardship plan.
  - (G) Stewardship organization and manufacturers shall administrative costs that follow established standards of good governance (insert a reference) allocate revenues and expenditures applicable to this program in accordance with Generally Accepted Accounting Principles (insert a reference or definition).
  - (H) The stewardship plan shall describe how the documentation on the collection and expenditure of carpet assessment funds shall be kept separate from other activities of the stewardship organization.
- (8) Education and Outreach. Include education and outreach efforts to consumers, commercial building owners, carpet installers, and retailers to promote their participation in achieving the purposes of the carpet stewardship plan. The description shall include how the outreach and education methods will be used and distributed, and how effectiveness of these activities will be measured. Educational information may include, but is not limited to, signage, written materials, advertising or other promotional materials pursuant to Section 42972 (a) (5).
- (9) Program Performance Measurement. Describe how attainment of the goals will be measured per §18943(c). Program data shall be collected for purposes of annual report submittal (see §18944 Annual Report Compliance Criteria). Information to be provided includes, but is not limited to:
- (A) Specific information on the measurement methodology, assumptions, conversion factors, if used, and data sources.
- (10) Stakeholder Consultations. A manufacturer or stewardship organization that submits a plan shall include a process of consultation with affected stakeholders and consider the existing infrastructure in the development of the plan.

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Stakeholders may include, but are not limited to, service providers, state and local governments, haulers, recyclers, retailers and wholesalers, installers, and consumers.

(11) Audits. Include a process by which the financial activities of the stewardship organization or and individual manufacturer that are related to implementation of the stewardship plan will be subject to an independent audit, results of which will be submitted in the manufacturer or stewardship organization's annual report and reviewed by the department.

~~(A) The stewardship plan shall describe how the documentation on the collection and expenditure of carpet assessment funds shall be kept separate from other activities of the stewardship organization.~~

~~(B) The stewardship plan adheres to the guidelines established under *(insert applicable standard here)*.~~

Note: Authority cited: Sections 40502,

Reference: Sections 42972, 42973, Public Resources Code.

### Section 18944. Annual Report Compliance Criteria.

(a) The annual report must contain the following:

(1) Contact information. Identify the manufacturer or stewardship organization responsible for the annual report submittal.

(2) Executive Summary. Provide an evaluation of the effectiveness of the carpet stewardship plan, and anticipated steps, if needed, to improve performance.

(3) Scope. The program described in the stewardship plan accepts and manage all applicable post-consumer carpet.

(A) Indicate any changes in the program scope from the approved stewardship plan.

(B) Indicate the scope is unchanged, if no changes have occurred during the reporting period.



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(4) Program Outline. Describe the carpet stewardship program, including information on the following topics:

(A) Types of collections sites and basic information about recycling facilities in California, e.g., how carpet is collected, number and location of processors.

(B) Include facility name(s) and address(es) for each method of disposition.

(5) Description of goals and activities based on the stewardship plan. State goals from the approved plan, the baseline from which goals were measured, and report on achievement during the reporting period.

(A) The annual report shall include, but is not limited to, quantitative information and discussion on the following categories (see Table 1: Overview of Data Collection):

1. Amount of carpet sold by square yards and pounds, in the state during the reporting period that is covered under the approved stewardship plan. A stewardship organization with more than one manufacturer may use average weight.
2. Amount (pounds) of post-consumer carpet that is available for collection.
3. Amount (pounds) of post-consumer carpet collected, by weight, during the reporting period.
4. Disposition, that is, amounts reused, recycled, incinerated for energy recovery or disposed of in a landfill; of collected post-consumer carpet, by pounds, during the reporting period.
5. Describe efforts to increase recycling of post-consumer carpet.
6. Describe efforts to increase diversion of post-consumer carpet from landfills.
7. Describe efforts to increase recyclability of carpets.
8. Descriptions of any enforcement actions or problems related to plan implementation.
9. Describe efforts to increase the market growth of secondary products made from post-consumer carpet.

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(B) Information on goals shall be accompanied by supporting information covering, but not be limited to the following topics:

1. Description of the measurement methodology, assumptions, conversion factors, and data sources.
2. Data are California-specific.
3. Report demonstrates that over time source reduction, reuse, and recycling increased, while environmentally safe transformation and land disposal decreased.
4. Report demonstrates continuous improvement toward achievement of goals.
5. Report covers progress toward achievement of all goals in the approved stewardship plan.

**Table 1: Overview of Potential Data Collection**

*This table is presented for discussion purposes and will be removed from the proposed regulations.*

*Note: This table has some elements that are not required in AB 2398, but may assist in the overall evaluation of the program over the long term and may be considered as optional. Only items noted with an " \* " must be included in annual reports. As a standard practice, document the methodology and assumptions used for measurement.*

**Population in State of California (insert year)**

**Financing**

\*Total program cost (\$)

\* Cost(\$)/capita

\* Cost (\$)/pound collected

\* Education/Outreach (% of total program cost)

\* End-of-life materials management (% of total program cost with line items for reuse, recycling, incineration for energy recovery, and landfilling))

\* Program administration (% of total program cost)

Governance (program oversight) (% of total program cost)

\* Assessment funds collected, how spent and amounts of each major expenditure

\* An evaluation of the assessment rate

Surplus funding, if any (by statute these funds are meant to be used to reduce program costs)

Total cost to local government (if applicable)

**Environmental**

Materials management

\* Product sold (pounds and square yards sold)

\* Product collected (pounds)

\* Product sold that is available for collection

\* Amount and Percent collected (from available for collection)

\* Amount (pounds) and Percent reused

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* Amount (pounds) and Percent recycled
* Amount (pounds) and Percent incinerated for energy recovery
* Amount (pounds) and Percent landfilled
GHG emissions (tons)
Investments in product design/R&D
<b>Program effectiveness</b>
* Progress against goals
* Regulatory non-compliances
Demonstrated improvements in product design
* Public awareness
Public participation <sup>1</sup>
<b>Jobs attributable to stewardship program (Direct/Indirect<sup>2</sup>)</b>
Local Government
Product Stewards
State Government
Materials extraction, processing, & manufacturing
Collectors & Recyclers
Retailers & Installers

(6) Market Development. After four (4) years of program implementation, and annually thereafter, the manufacturer or stewardship organization shall include a description of possible market development activities to incentivize the market growth of secondary products made from post-consumer carpet.

(7) Financing Mechanism. The annual report shall include a description and evaluation of the program's financing mechanism, including whether or not the funding was sufficient to recover, but not exceed, the full cost of the stewardship program. The annual report shall include, but not be limited to, the following total program cost information, and include any supporting documentation (see §18944(a)(5), *Table 1. Overview of Potential Data Collection*). Any proposed change in the amount of the carpet stewardship assessment fee must be submitted to the department for re-approval (See §18943 *Criteria for Plan Approval*):

(A) Total Program Cost

<sup>1</sup> Via survey results or other reported data.

<sup>2</sup> "Direct" refers to number of jobs directly attributable to the manufacturer or stewardship organization employees working on the program. "Indirect" refers to # of jobs estimated attributable to contracted service providers. May be expressed in units of full-time equivalents (FTEs).

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- (B) Cost(\$)/capita
- (C) Cost (\$)/pound collected
- (D) Education/Communications (% of total program cost)
- (E) End-of-life materials management (% of total program cost)
- (F) Program administration (% of total program cost)
- (G) Governance (program oversight) (% of total program cost)
- (H) Total cost to local government (if applicable)
  - (I) Assessment funds collected, how spent and amounts of each major expenditure
  - (J) Surplus funding, if any
  - (K) An evaluation of the assessment rate
- (8) Outreach/Education. List educational outreach activities in the stewardship plan. Provide a description of educational materials that were provided to retailers, consumers, carpet removers/installers, contractors, during the reporting period (provide electronic samples). Identify the method used to determine the effectiveness of educational and outreach surveys (e.g., surveys, hits on specific web pages, number of participants at events, etc). Education and outreach materials may include, but are not limited to, signage, written materials, advertising or other promotional materials pursuant to Section 42972 (a) (5) and Links to website(s) created and maintained by the manufacturer or stewardship organization.
- (9) Audits. The annual report shall include an independent financial audit funded from the carpet stewardship assessment. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, and standards set forth in Government Auditing Standards issued by the Comptroller General of the United States.
  - (A) The department may investigate further. If the department decides to further review the findings of the independent auditor, the review will be conducted based on same information the individual manufacturer or stewardship organization provided to the independent auditor.
  - (B) Financial audits must be prepared by a Certified Public Accountant.

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- (C) The department may request supplemental information from the individual manufacturer or stewardship organization during the course of review of a manufacturer- or stewardship organization-submitted financial audit, if necessary.
- (D) The department will inform the individual manufacturer or the stewardship organization within 60 days of the results of its review.

Note: Authority cited: Sections 40502,

Reference: Sections 42972, 42976, Public Resources Code. Section 19812, Title 5, California Code of Regulations.

### **Section 18945. Enforcement.**

#### **Section XXXX1. Civil Penalties.**

A civil penalty may be administratively imposed by the department on any person who is in violation of any provision of this Article. The responsible party or parties shall be determined by the department based on the totality of the circumstances

- (a) Any manufacturer offering carpet for sale or for promotional purposes in California or a manufacturer or stewardship organization submitting a plan or report to the department is subject to enforcement under this Article. Manufacturers are subject to penalties as a result of the failure of their designated stewardship organization to comply with this Article on their behalf.
- (b) Notwithstanding paragraph (a), a product manufacturer is not subject to any penalty for failing to comply if that product manufacturer can demonstrate that it provided true and accurate information to the stewardship organization and the stewardship organization failed to properly report this on behalf of the manufacturer.
- (c) A stewardship organization is not subject to a penalty for failure to comply as a result of submitting false or misleading information if it can demonstrate that it received false or misleading information from a manufacturer that was the direct cause of its failure to comply with this Article.

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(d) Any wholesaler or retailer that offers carpet for sale in the state, or who offers carpet for promotional purposes in the state, is subject to enforcement under this Article.

Note: Authority cited: Sections 40502 and 42974, Public Resources Code.

Reference: Section 42974 and 42978, Public Resources Code.

### Section XXXX2. Amount of Civil Penalties and Administrative Penalty Schedule.

(a) Civil penalties may be imposed administratively in accordance with the following penalty tables:

(1) Base Penalty Table I is to be used for stewardship organizations and manufacturers.

(A) Identify what violations have occurred.

(B) Identify the severity of the violations.

(C) Establish the possible range of the base penalty per violation based on the severity levels described in paragraph (b).

Base Penalty Table I: For Stewardship Organizations and Manufacturers		
Violation	Description of Violation	Severity
PRC 42972(a)	Failure to submit, individually or through a stewardship organization, a stewardship plan to the Department	Level 3
PRC 42973(b)	Failure to resubmit a stewardship plan within 60 days after receiving a notice of disapproval from the Department	Level 1
PRC 42973(b)	Failure to obtain Department approval of a stewardship plan	Level 3
PRC 42972(e)	Failure to notify the Department within 30 days after instituting a significant or material change to a Department-approved stewardship plan	Level 2
PRC 42975	Failure to demonstrate to the Department continuous meaningful improvement in the rates of recycling and diversion of postconsumer material subject to a stewardship plan and in meeting the other goals included in an organization's stewardship plan	Level 2
PRC 42976	Failure to submit, individually or through a stewardship organization, an annual report to the Department	Level 3
PRC 42976	Annual report does not contain required elements	Level 2
PRC 42977(a)	Failure to pay an annual administration fee to the Department	Level 3
PRC 42974(b)	Offering a carpet for sale or for promotional purposes that is not subject to a	Level 3

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	Department-approved stewardship plan	
PRC 42972(c)(3)(B)	Stewardship assessment is not clearly visible on invoice or functionally equivalent billing document as a separate line item	Level 1
PRC 42972(c)(3)(B)	Invoice or functionally equivalent billing document is not accompanied by a brief description of the stewardship assessment or a Department-approved label	Level 1
14 CCR XXXXX		
14 CCR XXXXX		
14 CCR XXXXX		

(2) Base Penalty Table II is to be used for wholesalers and retailers.

(A) Identify what violations have occurred.

(B) Identify the severity of the violations.

(C) Establish the possible range of the base penalty per violation based on the severity levels described in paragraph (b).

Base Penalty Table II: For Wholesalers and Retailers		
Violation	Description of Violation	Severity
PRC 42974(b)	Offering a carpet for sale or for promotional purposes that is not subject to a Department-approved stewardship plan	Level 3
PRC 42972(c)(3)(B)	Stewardship assessment is not clearly visible on invoice or functionally equivalent billing document as a separate line item	Level 1
PRC 42972(c)(3)(B)	Invoice or functionally equivalent billing document is not accompanied by a brief description of the stewardship assessment or a Department-approved label	Level 1
14 CCR XXXXX		
14 CCR XXXXX		
14 CCR XXXXX		

(b) For the purpose of implementing this [Section/Article], penalty severity levels are described as follows:

(1) For a violation classified as Level 1, the amount of the base penalty may be up to \$1,000 per day.

(2) For a violation classified as Level 2, the amount of the base penalty may be up to \$5,000 per day.

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(3) For a violation classified as Level 3, the amount of the base penalty may be up to \$10,000 per day.

(c) The department will set the final penalty amount after considering the criteria set forth in Section XXXX3. The department may increase the final penalty beyond the penalty range established pursuant to paragraphs (a) and (b), if it determines, after considering the criteria set forth in Section XXXXX, that such an increase is warranted and appropriate.

Note: Authority cited: Sections 40502 and 42974, Public Resources Code.

Reference: Sections 42972, 42973, 42974, 42975, 42976, and 42977, Public Resources Code; and Section 11506, Government Code.

### **Section XXXX3. Criteria to Impose a Civil Penalty.**

In assessing or reviewing the amount of civil penalty imposed for a violation of this chapter, the department or the court shall consider all the following:

- (1) The nature, circumstances, extent, and gravity of the violation(s).
- (2) The number and severity of the violation(s).
- (3) Evidence that the violation was intentional, knowing or negligent.
- (4) The size of the violator.
- (5) History of violation(s) of the same or similar nature.
- (6) The willfulness of the violator's misconduct.
- (7) Whether the violator took good faith measures to comply with this chapter and the period of time over which these measures were taken.
- (8) Evidence of any financial gain resulting from the violation(s).
- (9) The economic effect of the penalty on the violator.
- (10) The deterrent effect that the imposition of the penalty would have on both the violator and the regulated community.
- (11) Any other factor that justice may require.



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Note: Authority cited: Sections 40502 and 42974, Public Resources Code.

Reference: Section 42978, Public Resources Code.

### **Section XXXX4. Procedure for Imposing Civil Penalties.**

(a) Civil penalties may be administratively imposed in accordance with the procedures outlined in the Administrative Procedure Act at Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code with the exception of Government Code Section 11505(c).

(b) The accusation or complaint and all accompanying documents may be served on the respondent by the following means:

(1) Personal service.

(2) Substitute service by using the same service procedures as described in Section 415.20 of the Code of Civil Procedure.

(3) Certified Mail: For respondents who have submitted a stewardship plan, certified mail or registered mail if the letter containing the accusation or complaint and accompanying material is mailed, addressed to the respondent at the latest facility or mailing address(es) provided in the stewardship plan on file with the Department. Any address provided in the stewardship plan may be used for service of process. Proof of service of the accusation or complaint shall be the certified mail receipts or registered mail receipts proving the accusation or complaint and accompanying materials were sent to respondent by certified mail or registered mail. For respondents who have not submitted or are not required to submit a stewardship plan to the department, certified mail or registered mail pursuant to the procedures indicated in the Administrative Procedure Act at Section 11505(c) of the Government Code applies.

(c) Civil penalties may be imposed pursuant to the Public Resources Code Section 42978 in the discretion of the trier of fact in the civil proceeding.

Note: Authority cited: Sections 40502 and 42974, Public Resources Code. Reference: Section 11500, Government Code; and Section 42978, Public Resources Code.

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### Section 18946. Record Keeping Requirements

Each [stewardship organization/manufacturer/wholesaler/retailer] required to comply with Chapter 20 (commencing with §42970, Part 3, Division 30 of the Public Resources Code) shall:

- (a) ~~Maintain records of [insert] in a form and manner approved by the department. Such records shall be adequate for overall planning and control purposes, and be as current and accurate as practicable~~ to support the requirements in Sections 18943 & 18944 of these regulations. Manufacturers, wholesalers and retailers must also maintain records on sale or promotion of carpet as described in section        of this division.
- (b) ~~Keep all records required by this Article in one location and accessible for three (3) years; Provide the Department with immediate access to its facilities, operations, and any relevant records necessary to determine compliance with this Article, upon request. The records required by this Article shall be accessible for three years from the date the plan and annual report was due to the Department.~~
- (c) Make all records required by this Article available for inspection or audit by the department, or it's agent and other duly authorized regulatory agencies during normal working hours;
- (d) Submit copies of specified records to the department upon request or at a frequency approved by the department.
- (e) The department may take disciplinary action against any regulated entity who fails to provide the department with access pursuant to this subdivision including, but not limited to, imposing penalties and the immediate removal from the Department's list of manufacturers that are compliance with Section 42970 of the Public Resource Code and this Division.

Note: Authority cited: Sections 40502 and 42974, Public Resources Code. Reference: Sections 42972, 42972.5, 42973, 42975, 42976, 42977, 42977.1, 42978, and 42981, Public Resources Code.

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### **Section 18947. Proprietary, Confidential, or Trade Secret Information.**

(a) The public disclosure of records supplied to the department pursuant to this Article that are, at the time of submission, claimed to be proprietary, confidential, or trade secret shall be subject to the disclosure provisions in Title 14, California Code of Regulations, Division 7, Chapter 1, Article 4 (commencing with Section 17041).

Authority cited: Section 6253, Government Code. Sections 40502 and 40502 and 42972 through 42977.1, Public Resources Code.

Reference: Sections 6250 et seq., Government Code. Sections 40062 and 42323, Public Resources Code.

### **Section 18948. Service Payments to Department of Resources, Recycling and Recovery.**

(a) The department, using information provided in annual reports, its actual program costs for previous years, plans submitted in prior years, information from other sources, and assessing program needs; shall estimate the costs to be incurred by the department in connection with the administration and enforcement of the requirements of this chapter for the next fiscal year.

(b) The department director, or his/her deputy director designee, shall approve the fee charged for each stewardship plan for the full administration and enforcement costs by April 30 each year starting 2012.

(c) Any department fee shall be prorated, if there is more than one stewardship plan, by the number of plans submitted.

(d) The department will issue invoices for each plan by May 31 each year. Payment is due annually on July 1.

(e) The department's approval of a plan shall be revoked if payment is not received. Plans revoked for lack of payment may be reinstituted upon payment.

Note: Authority cited: Sections 40502, 42977

Reference: Section 42977, Public Resources Code.